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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC No. 01405-85
14 March 1985

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: George Kolt
National Intelligence Officer for Europe

SUBJECT: NSC Meeting on President's Trip to Canada
(Friday, 15 March, 1100-1200)

1. The purpose of this meeting is to allow Cabinet members to brief the President on the status of their preparations for the President's March 17-18 trip to Canada (Agenda at Attachment 1) and on the implementation of the National Security Directive of February 25, 1985 (Attachment 2). As of today, agreement has been reached with the Canadians on three accords to be signed during the visit (on legal assistance, Pacific salmon fishing, and the North Warning line) and a Declaration on trade. The two items still being negotiated are the Declaration on Defense (where the problem now lies with the Defense Department's sensitivity to the way SDI and a recent understanding on procurement are handled) and of the communique which will contain a passage on acid rain. Just as the last time, this last issue will probably be discussed extensively at this NSC meeting. There is no requirement for you to make a presentation.

2. The US and Canada have somewhat different perspectives on the forthcoming meeting between their two leaders. While both countries see it as an opportunity to reaffirm their close relationship, the Canadians also see it as a test of whether Prime Minister Mulroney's adoption of much more pro-US policies than his predecessor will bring dividends to Canada. Some manifestations of this pro-US policy have been the easing of rules on foreign investment in Canada, early public backing of SDI that was stronger than that given by our other allies, and, more recently, the decision to increase Canada's small military contingent in

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Europe by about a third to some 4,500 men (see Attachment 3 for details). Further, in late February, Mulroney made a very pro-US speech to the Caribbean Commonwealth leaders in Jamaica. Not only did he refrain from any criticism of US policy in the region (a welcome departure from the practice of his predecessor Trudeau), but he used the speech to express support for the Grenadian rescue mission and to back the Caribbean Basin initiative. Overall, Mulroney's strong identification of Canada with the US is attracting extremely heavy Canadian media attention not only because it is an important policy shift by Ottawa but also because it is the only area where Mulroney has vigorously prosecuted a new policy since taking office. As a result, Canadian popular perceptions of Mulroney's substantive accomplishments during the visit will have a long-range impact on his political standing and continued ability to carry out pro-US policies.

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3. According to the NSC staff, the negotiations on the various documents to be produced during the visit have gone extremely well for us. Not surprisingly, therefore, the reports of meetings between the US and Canadian negotiators as well as Canadian press reports suggest a Canadian belief that Canada is giving more than it is getting. For instance, Canada wanted the trade declaration to disavow protectionism totally, but the US balked on the grounds that this could have been seen by Congress as a usurpation of its prerogatives. The Canadians also wanted to avoid mention of the SDI in the Defense Declaration because that issue has become entangled with Canadian participation in the soon-to-be-strengthened North Warning Line, (that is, some Canadians are charging that the North Warning Line is part of the SDI and that Canada is therefore already and unwisely committed to participating in the SDI.) The US, however, prevailed in having SDI mentioned in the Communique (albeit not in the way DOD wanted), leaving it up to Mulroney's government to fend off its domestic critics. In light of all of this, the Canadians will probably fight as hard as they can to get the language they want on acid rain.

4. I realize that the US faces the probably irreconcilable objectives of wanting to be forthcoming to Canada on acid rain, while at the same time not committing itself to a program that may not be appropriate and, in any case, would be extremely expensive. This background, however, helps explain the highly-charged nature of the issue and the amount of attention that the NSC is rightly devoting to it.

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5. DDI/EURA analyst [redacted] (who has just returned from a one-week trip to Canada) and I are set to meet with you at 0915 Friday, 15 March in order to answer any further questions that you might have.

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George Kolt

Attachments:
As stated

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